

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE ARGON CREDIT, LLC)
Debtor.) Chapter 7
) NO: 2016-39654
) Hon. Deborah L. Thorne
) Hearing Date: May 10, 2018
) Hearing Time: 10:00 a.m.

**CONSUMERS' RESPONSE TO SUPPLEMENTAL INFORMATION
PROVIDED BY FUND RECOVERY SERVICES (DOC. 307) REGARDING
CONSUMERS' MOTION FOR RELIEF FROM AUTOMATIC STAY**

TO: SEE ATTACHED SERVICE LIST

Lindsay Fore, Kim L. King, Theresa Madrigal, Yolanda J. McKinney, Karenza Hutchens, Patti M Couture, Rosemary Gonzalez-Lopez, Steven Prescott, Karen Vinson, Dean Sipe, Stephen Craig Brown, Dennis B. Estrada-Jimenez, Samantha Rae Wilder, Tiffany N Comfort, John K. Brigoli, Dennis C. Cantrell, Mathew V. Muniz, Joseph N. Roberson, Donald Dotson, Felicia M. Spiller, Delilah Jasso Rodriguez, John Fountaine, Sonja Hallmon and Eric Shorter [hereinafter Consumers] respectfully submit this response to supplemental information provided by Fund Recovery Services (Doc. 307) regarding Consumers' Motion for Relief from Automatic Stay.

DATED: June 14, 2018

Respectfully submitted,

Bv

Jeffrey Wilens, Esq., Pro Hac Vice
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8 **CERTIFICATE OF SERVICE**

9 I certify that I am a citizen of the United States and a resident of Orange County,
10 State of California. I am over the age of 18 years and am not a party to this Action. My
11 business address is 18340 Yorba Linda Blvd., Suite 107-610, Yorba Linda, CA 92886.

12 On June 14, 2018, I caused to be served a true copy of the above notice and
13 attached pleadings upon the Service List through the Court's ECF System, or by placing
14 a true copy thereof enclosed in a sealed envelope with postage thereon fully prepaid
15 through United States Postal Service at Yorba Linda, California, addressed as set forth
16 below this declaration.

17 I declare under penalty of perjury and under the laws of the State of California,
18 that the foregoing is true and correct. Executed this 14th day of June 2018 at Yorba
19 Linda, California.

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Jeffrey Wilens

Peter J. Roberts	Eugene Crane (Atty. No. 0537039)
Shaw Fishman Glantz & Towbin LLC	Jeffrey C. Dan (Atty. No. 06242750)

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

IN RE ARGON CREDIT, LLC)
Debtor.) Chapter 7
) NO: 2016-39654
) Hon. Deborah L. Thorne
) Hearing Date: Under Submission
) Hearing Time: 10:00 a.m.

**CONSUMERS' RESPONSE TO SUPPLEMENTAL INFORMATION
PROVIDED BY FUND RECOVERY SERVICES (DOC. 307) REGARDING
CONSUMERS' MOTION FOR RELIEF FROM AUTOMATIC STAY**

11 Pursuant to Court order, Fund Recovery Services (FRS) filed a document (Doc.
12 307) containing information pertaining to the status of the collections from consumers
13 who paid back loans from Argon Credit between January 2017 and April 2018.

14 FRS' CEO submitted a declaration stating that FRS has collected approximately
15 \$5.9 million between those dates and is trying to collect some \$19.9 million that is still
16 owed according to its records. Although that declaration does not break down the
17 figures California borrowers, in an earlier filing FRS stated that California borrowers
18 represented about 44% of Argon's loan portfolio. (Doc. 297, p. 4.) In other words, FRS
19 could be facing claims for almost \$2.6 million in restitution and \$8.7 million in debt
20 forgiveness if every California borrower were able to assert a claim, most likely in a class
21 action.

23 By contrast, Consumers have sought leave to bring approximately 25 arbitration
24 claims. Although FRS did not present the Court specifics on the value of those claims,
25 they have been estimated to be about \$100,000. (Doc. 298, p. 6.) Even if one doubled
26 that amount, to reflect debt forgiveness, it is still a lot less than \$10 million.
27

If the Court's purpose for requesting this supplemental information was to determine what percentage of the total loan portfolio is represented by the loans pertaining to the Consumers seeking to arbitrate their claims now, the answer is an extremely tiny percentage—around one percent. The Estate would be better protected and better off if these arbitrations are permitted to go forward. While it should be expected that some additional individuals may bring similar arbitration claims in coming months, that is still vastly preferable to facing a class action. Indeed, that is the typical purpose of an arbitration provision—to block class actions. If the arbitration agreements are no longer enforceable in light of the bankruptcy filing, the Consumers will proceed with an adversary class action, which cannot possibly be a preferred approach for the Estate.

14 | DATED: June 14, 2018

Respectfully submitted,

By

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